



PETRONAS

PETRONAS GAS BERHAD

Quarterly Report

For the Third Quarter Ended 30 September 2023

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Key Financial Highlights (In RM'000)	Cumulative quarter ended		Variance
	2023	30 September 2022	
Revenue	4,862,587	4,527,305	+7.4
Gross profit	1,780,193	1,879,309	-5.3
Profit before taxation (PBT)	1,777,538	1,741,905	+2.0
Profit for the period	1,435,425	1,296,365	+10.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2,480,994	2,453,750	+1.1
Earnings per share (EPS) (sen)	69.64	62.31	+11.8
Declared dividends per share (sen)	50.00	50.00	—

- **PETRONAS Gas Berhad Group revenue stood at RM4,862.6 million, an increase of 7.4% or RM335.3 million** mainly contributed by higher revenue from Utilities segment in line with higher product prices.
- **Nevertheless, gross profit, declined by 5.3% or RM99.1 million** as a result of lower contribution from Gas Transportation, Gas Processing and Regasification segments due to higher operating expenses, mainly internal gas consumption and depreciation expenses coupled with lower revenue due to lower transportation and regasification tariffs under Regulatory Period 2 ("RP2"). These were cushioned by higher contribution from Utilities segment in tandem with higher revenue as well as stronger margin following upward revision of imbalance cost pass-through ("ICPT") surcharge and favourable impact of improved terms in the contract renewals.
- **Despite lower gross profit, PBT improved by 2.0% or RM35.6 million** on the back of lower other expenses due to lower exposure from foreign exchange movement coupled with lower financing costs following early settlement of USD lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka and higher share of profit from joint venture companies.
- **Profit for the period increased by 10.7% or RM139.1 million** in tandem with higher PBT as well as lower tax expense. The corresponding period tax expense was higher as a result of imposition of Prosperity Tax for year of assessment 2022.
- **EBITDA was higher by 1.1% or RM27.2 million** in line with higher PBT.
- **EPS increased by 11.8%**, reflecting higher profit attributable to shareholders of the Company.
- **The Board of Directors has approved a third interim dividend** of 18 sen per ordinary share amounting to RM356.2 million in respect of the financial year ending 31 December 2023.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

The Board of Directors of PETRONAS Gas Berhad (PGB or the Company) is pleased to announce the following unaudited condensed consolidated financial statements of PGB Group of Companies (PGB Group or the Group) for the third quarter ended 30 September 2023 that should be read in conjunction with the accompanying explanatory notes on pages 7 to 26.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2023	2022	2023	2022
<i>In RM'000</i>					
Revenue		1,550,274	1,564,801	4,862,587	4,527,305
Cost of revenue		(968,747)	(920,853)	(3,082,394)	(2,647,996)
Gross profit		581,527	643,948	1,780,193	1,879,309
Administration expenses		(28,102)	(27,993)	(92,035)	(82,782)
Other expenses		(13,269)	(64,285)	(57,534)	(128,191)
Other income		35,521	40,607	116,477	95,415
Operating profit	34	575,677	592,277	1,747,101	1,763,751
Financing costs		(23,621)	(44,320)	(103,332)	(131,001)
Share of profit after tax of equity-accounted joint ventures and associate		42,428	47,309	133,769	109,155
Profit before taxation		594,484	595,266	1,777,538	1,741,905
Tax expense	22	(103,323)	(151,973)	(342,113)	(445,540)
PROFIT FOR THE PERIOD		491,161	443,293	1,435,425	1,296,365
Profit attributable to:					
Shareholders of the Company		468,459	425,818	1,378,009	1,232,900
Non-controlling interests		22,702	17,475	57,416	63,465
PROFIT FOR THE PERIOD		491,161	443,293	1,435,425	1,296,365
Basic and diluted earnings per ordinary share (sen)	32	23.67	21.52	69.64	62.31

The unaudited condensed consolidated statement of profit or loss should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
		2023	2022	2023	2022
<i>In RM'000</i>					
Profit for the period		491,161	443,293	1,435,425	1,296,365
Other comprehensive income/(loss)					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Net movements from exchange differences		569	19,343	18,715	36,513
Share of cash flow hedge of an equity-accounted joint venture		128	5,983	1,476	13,553
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		491,858	468,619	1,455,616	1,346,431
Total comprehensive income attributable to:					
Shareholders of the Company		469,156	451,144	1,398,200	1,282,966
Non-controlling interests		22,702	17,475	57,416	63,465
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		491,858	468,619	1,455,616	1,346,431

The unaudited condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In RM'000</i>	Note	As at 30 September 2023	As at 31 December 2022
ASSETS			
Property, plant and equipment		13,505,369	13,408,441
Investment in joint ventures		772,130	767,048
Investments in associate		185,651	175,435
Long term receivables		100,791	122,818
Deferred tax assets		102,118	134,914
TOTAL NON-CURRENT ASSETS		14,666,059	14,608,656
Trade and other inventories		43,162	42,573
Trade and other receivables	26	895,765	990,010
Tax recoverable		67,774	20,919
Cash and cash equivalents		3,545,813	4,026,244
TOTAL CURRENT ASSETS		4,552,514	5,079,746
TOTAL ASSETS		19,218,573	19,688,402
EQUITY			
Share capital		3,165,204	3,165,204
Reserves		10,312,564	9,982,879
Total equity attributable to the shareholders of the Company		13,477,768	13,148,083
Non-controlling interests		252,419	261,758
TOTAL EQUITY		13,730,187	13,409,841
LIABILITIES			
Borrowings	28	1,984,653	3,662,833
Deferred tax liabilities		1,250,982	1,207,184
Provisions		32,785	31,808
Deferred income		5,003	236
TOTAL NON-CURRENT LIABILITIES		3,273,423	4,902,061
Trade and other payables		928,383	1,203,591
Borrowings	28	1,286,580	172,909
TOTAL CURRENT LIABILITIES		2,214,963	1,376,500
TOTAL LIABILITIES		5,488,386	6,278,561
TOTAL EQUITY AND LIABILITIES		19,218,573	19,688,402
Net assets per share attributable to the shareholders of the Company (RM)		6.8113	6.6447

The unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In RM'000	Attributable to shareholders of the Company								
	Non-distributable				Distributable			Non-controlling Interests	Total Equity
	Share Capital	Capital Reserve	Foreign Currency Translation Reserve	Hedging Reserve	Retained Profits	Total			
Cumulative quarter ended 30 September 2023									
Balance at 1 January 2023	3,165,204	520,801	34,659	35,119	9,392,300	13,148,083	261,758	13,409,841	
Net movements from exchange differences	—	—	18,715	—	—	18,715	—	18,715	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	1,476	—	1,476	—	1,476	
Profit for the period	—	—	—	—	1,378,009	1,378,009	57,416	1,435,425	
Total comprehensive income for the period	—	—	18,715	1,476	1,378,009	1,398,200	57,416	1,455,616	
Changes in ownership interest in a subsidiary	—	—	—	—	—	—	2	2	
Issuance of shares to non-controlling interests	—	—	—	—	—	—	2,078	2,078	
Interim dividend declared and paid in respect of previous year	—	—	—	—	(435,321)	(435,321)	—	(435,321)	
Interim dividend declared and paid in respect of current year	—	—	—	—	(633,194)	(633,194)	(68,835)	(702,029)	
Total transactions with shareholders of the Company	—	—	—	—	(1,068,515)	(1,068,515)	(66,755)	(1,135,270)	
Balance at 30 September 2023	3,165,204	520,801	53,374	36,595	9,701,794	13,477,768	252,419	13,730,187	
Cumulative quarter ended 30 September 2022									
Balance at 1 January 2022	3,165,204	520,801	17,474	25,671	9,369,414	13,098,564	240,946	13,339,510	
Net movements from exchange differences	—	—	36,513	—	—	36,513	—	36,513	
Share of cash flow hedge of an equity-accounted joint venture	—	—	—	13,553	—	13,553	—	13,553	
Profit for the period	—	—	—	—	1,232,900	1,232,900	63,465	1,296,365	
Total comprehensive income for the period	—	—	36,513	13,553	1,232,900	1,282,966	63,465	1,346,431	
Interim dividends declared and paid in respect of previous year	—	—	—	—	(633,194)	(633,194)	—	(633,194)	
Interim dividend declared and paid in respect of current year	—	—	—	—	(633,194)	(633,194)	(40,506)	(673,700)	
Total transactions with shareholders of the Company	—	—	—	—	(1,266,388)	(1,266,388)	(40,506)	(1,306,894)	
Balance at 30 September 2022	3,165,204	520,801	53,987	39,224	9,335,926	13,115,142	263,905	13,379,047	

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these condensed consolidated financial statements.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In RM'000</i>	Note	Cumulative quarter ended 30 September	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,777,538	1,741,905
<i>Adjustments for:</i>			
Depreciation and amortisation	34	836,574	760,584
Share of profit after tax of equity-accounted joint ventures and associate		(133,769)	(109,155)
Unrealised (gain)/loss on foreign exchange	34	32,590	117,692
Interest income	34	(102,681)	(70,585)
Financing costs		103,332	131,001
Other non-cash items		817	(2,733)
Operating profit before changes in working capital		2,514,401	2,568,709
Change in trade and other receivables		92,209	(15,917)
Change in trade and other inventories		(728)	1,121
Change in trade and other payables		(156,618)	(17,639)
Cash generated from operations		2,449,264	2,536,274
Interest income		102,681	70,585
Taxation paid		(312,374)	(341,241)
Net cash generated from operating activities		2,239,571	2,265,618
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associate		138,662	27,455
Repayment of term loan due from a joint venture		27,442	23,316
Proceeds from partial disposal of investment in a subsidiary		2	—
Proceeds from disposal of property, plant and equipment		7,167	3,170
Purchase of property, plant and equipment		(847,436)	(837,952)
Net cash used in investing activities		(674,163)	(784,011)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders of the Company	9	(1,068,515)	(1,266,388)
Dividends paid to non-controlling interest		(68,835)	(40,506)
Drawdown of Islamic financing facility	28	303,600	349,000
Payment of lease liabilities	28	(1,091,246)	(48,975)
Interest expense paid		(122,921)	(131,174)
Proceeds from shares issued to a non-controlling interest		2,078	—
Net cash used in financing activities		(2,045,839)	(1,138,043)
Net (decrease)/increase in cash and cash equivalents		(480,431)	343,564
Cash and cash equivalents at beginning of the period		4,026,244	3,782,457
Cash and cash equivalents at end of the period		3,545,813	4,126,021

Included in the Group's cash and cash equivalents are RM127,629,000 (2022: RM133,596,000) being designated as security and a fixed balance amounting to RM30,000 (2022: RM30,000) in a trustee reimbursable account in relation to a subsidiary's Islamic financing facility.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The condensed consolidated financial statements are unaudited and have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting*, MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

They should also be read in conjunction with the Group's audited consolidated financial statements and the accompanying notes for the year ended 31 December 2022. The explanatory notes attached to the condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

Within the context of these financial statements, the Group comprises the Company and its subsidiaries and the Group's interest in an associate and its joint ventures as at and for the period ended 30 September 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the year ending 31 December 2023 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the year ended 31 December 2022 except as described below.

As of 1 January 2023, the Group has adopted the following amendments to MFRSs ("pronouncements") which are effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101 *Presentation of Financial Statements (Disclosure of Accounting Policies)*
Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)*
Amendments to MFRS 112 *Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)*

The initial application of the above-mentioned pronouncements do not have any material impact to the financial statements of the Group.

On 2 June 2023, the MASB has also issued the Amendments to MFRS 112 *Income Taxes International Tax Reform – Pillar Two Model Rules*. This pronouncement is effective from annual period beginning on or after 1 January 2023 and will be in effect upon enactment of Pillar Two Model Rules in Malaysia. As allowed by the transitional provision, the Group is not required to provide any disclosure in relation to this pronouncement for interim period ended 30 September 2023.

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the year ended 31 December 2022 were not subject to any audit qualification.

4. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not significantly affected by seasonal or cyclical fluctuations of the business/industry.

5. EXCEPTIONAL ITEMS

There were no exceptional items during the period under review.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of the amounts reported in the most recent annual financial statements of the Group for the year ended 31 December 2022 that may have a material effect on the results of the period under review.

7. PROPERTY, PLANT AND EQUIPMENT

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

8. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the period under review other than as disclosed in Note 28.

9. DIVIDENDS

The following dividends were declared and paid by the Company:

<i>In RM'000</i>	Cumulative quarter ended 30 September	
	2023	2022
Ordinary		
Interim paid:		
2021 - Fourth interim dividend of 22 sen per ordinary share	—	435,321
2021 - Special interim dividend of 10 sen per ordinary share	—	197,873
2022 - First interim dividend of 16 sen per ordinary share	—	316,597
2022 - Second interim dividend of 16 sen per ordinary share	—	316,597
2022 - Fourth interim dividend of 22 sen per ordinary share	435,321	—
2023 - First interim dividend of 16 sen per ordinary share	316,597	—
2023 - Second interim dividend of 16 sen per ordinary share	316,597	—
	1,068,515	1,266,388

On 20 November 2023, the Directors of the Company approved a third interim dividend of 18 sen per ordinary share amounting to RM356.2 million in respect of the financial year ending 31 December 2023.

The dividend is payable on 15 December 2023 to depositors registered in the Records of Depositors at the close of business on 5 December 2023.

A Depositor shall qualify for entitlement to the dividends only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30 pm on 5 December 2023 in respect of ordinary transfers.
- Shares brought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

The financial statements for the current quarter do not reflect this approved interim dividend. The dividend will be accounted for in equity as an appropriation of retained profits in the financial statements for the financial year ending 31 December 2023.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

10. CHANGES IN COMPOSITION OF THE GROUP

There was no material changes in the composition of the Group during the period under review.

11. FAIR VALUE INFORMATION

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short nature of these financial instruments.

The following table analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The fair value hierarchy in the valuation technique are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

The Group recognises transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 2 and 3 of the fair value valuation hierarchy during the financial period.

<i>In RM'000</i>	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amounts
30 September 2023				
Financial assets				
<i>Current</i>				
Derivative assets	636	—	636	636
<i>Non-current</i>				
Long term receivables	—	134,827	134,827	100,941
Total financial assets	636	134,827	135,463	101,577
Financial liabilities				
<i>Current</i>				
Secured Islamic financing facility	—	(105,000)	(105,000)	(105,000)
Unsecured Islamic financing facility	—	(1,167,698)	(1,167,698)	(1,167,698)
Derivative liabilities	22	—	22	22
	22	(1,272,698)	(1,272,676)	(1,272,676)
<i>Non-current</i>				
Secured Islamic financing facility	—	(1,287,792)	(1,287,792)	(1,395,000)
Total financial liabilities	22	(2,560,490)	(2,560,468)	(2,667,676)

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

11. FAIR VALUE INFORMATION (continued)

<i>In RM'000</i>	Fair value of financial instruments carried at fair value Level 2	Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amounts
31 December 2022				
Financial assets				
<i>Non-current</i>				
Long term receivables	–	131,597	131,597	123,066
Total financial assets	–	131,597	131,597	123,066
Financial liabilities				
<i>Current</i>				
Secured Islamic financing facility	–	(105,000)	(105,000)	(105,000)
Derivative liabilities	(10,432)	–	(10,432)	(10,432)
	(10,432)	(105,000)	(115,432)	(115,432)
<i>Non-current</i>				
Secured Islamic financing facility	–	(1,253,094)	(1,253,094)	(1,395,000)
Unsecured Islamic financing facility	–	(862,744)	(862,744)	(862,744)
	–	(2,115,838)	(2,115,838)	(2,257,744)
Total financial liabilities	(10,432)	(2,220,838)	(2,231,270)	(2,373,176)

The calculation of fair value for derivative and non-derivative assets and liabilities within financial instruments depends on the type of instruments as follows:

- Fair value of non-derivative financial instruments, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.
- Fair value of forward exchange contracts are estimated by discounting the difference between the forward exchange rates and the contractual rate.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

12. SEGMENTAL INFORMATION

The Group has four reporting segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because it requires different technology and marketing strategies. The following summary describes the operations in each of the Group's reporting segments:

- Gas Processing – activities include processing of natural gas into salesgas and other by-products such as ethane, propane and butane.
- Gas Transportation – activities include transportation of processed gas to gas shippers' end customers and provision of operations and maintenance services.
- Regasification – activities include regasification of liquefied natural gas ("LNG") and provision of ancillary services comprising LNG reloading, truck loading and gassing up and cooling down services.
- Utilities – activities include manufacturing, marketing and supplying of industrial utilities and provision of operations and maintenance services.

Performance is measured based on segment gross profit, as included in the performance reports to the Board of Directors as the Company believes that such information is the most relevant in evaluating the results of the segments.

The segmental information in respect of the associate and joint ventures are not presented, as the contribution of the associate and joint ventures and the carrying amount of investment in the associate and joint ventures have been reflected in the statement of profit or loss and other comprehensive income and statement of financial position of the Group respectively.

<i>In RM'000</i>	Cumulative quarter ended 30 September 2023				
	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Revenue	1,335,170	853,954	1,010,516	1,662,947	4,862,587
Segment results	622,278	435,983	487,182	234,750	1,780,193
Unallocated expense					(33,092)
Operating profit					1,747,101
Financing costs					(103,332)
Share of profit after tax of equity-accounted joint ventures and associate					133,769
Profit before taxation					1,777,538

<i>In RM'000</i>	Cumulative quarter ended 30 September 2022				
	Gas Processing	Gas Transportation	Regasification	Utilities	Total
Revenue	1,308,617	872,844	1,054,778	1,291,066	4,527,305
Segment results	695,176	532,265	544,445	107,423	1,879,309
Unallocated expense					(115,558)
Operating profit					1,763,751
Financing costs					(131,001)
Share of profit after tax of equity-accounted joint ventures and associate					109,155
Profit before taxation					1,741,905

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

12. SEGMENTAL INFORMATION (continued)

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income or expenses mainly comprise foreign exchange gain or loss as well as other corporate income and expenses.

The Group's revenue from contracts with customers which also represents reportable segment revenue are further disaggregated as follows:

<i>In RM'000</i>	Cumulative quarter ended 30 September	
	2023	2022
Geographical Locations		
Peninsular Malaysia	4,860,498	4,521,602
Sabah	2,089	5,703
Total	4,862,587	4,527,305
Products and Services		
Gas processing services	1,335,170	1,308,617
Gas transportation services	850,290	869,598
Regasification services	993,021	1,040,496
Utilities		
- Electricity	573,288	486,847
- Steam	719,248	512,767
- Industrial gases	313,672	244,775
- Others ¹	56,739	46,339
LNG ancillary services	17,495	14,282
Operations and maintenance services	3,664	3,584
Total	4,862,587	4,527,305

13. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the quarter.

14. CONTINGENCIES

There were no material contingent liabilities and contingent assets subsequent to the audited financial statements for the year ended 31 December 2022.

¹ Others relates to sale of water and other utilities products.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)

15. CAPITAL COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of each reporting period not provided for in the interim financial statements are as follows:

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Property, plant and equipment		
Approved and contracted for	442,884	436,700
Approved but not contracted for	3,788,705	4,586,240
	4,231,589	5,022,940
Share of capital expenditure of joint ventures		
Approved and contracted for	813	351
Approved but not contracted for	16,084	15,526
	16,897	15,877
	4,248,486	5,038,817

16. RELATED PARTY TRANSACTIONS

On 23 May 2023, PGB has announced the Regas Terminal (Sg. Udang) Sdn Bhd ("RGTSU")'s prepayment of CAPEX Hire fee under the revised Time Charter Party ("TCP") agreement with Gas Asia Terminal (L) Pte. Ltd., a wholly owned subsidiary of MISC Berhad amounting to USD233.6 million. The settlement was part of PGB Group's foreign exchange risk mitigation strategy.

Further details of the settlement can be found in a separate Bursa announcement on 23 May 2023.

There were no significant transactions with related parties in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2022 and mentioned above.

17. DISCONTINUED OPERATIONS

There were no discontinued operations in the Group during the period under review.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

18. REVIEW OF GROUP PERFORMANCE

(a) Performance of current quarter against the corresponding quarter

In RM'000	Individual quarter ended 30 September		Variance %
	2023	2022	
Revenue	1,550,274	1,564,801	-0.9
Gross profit	581,527	643,948	-9.7
Profit before taxation (PBT)	594,484	595,266	-0.1
Profit for the quarter	491,161	443,293	+10.8
EBITDA ¹	836,462	826,445	+1.2

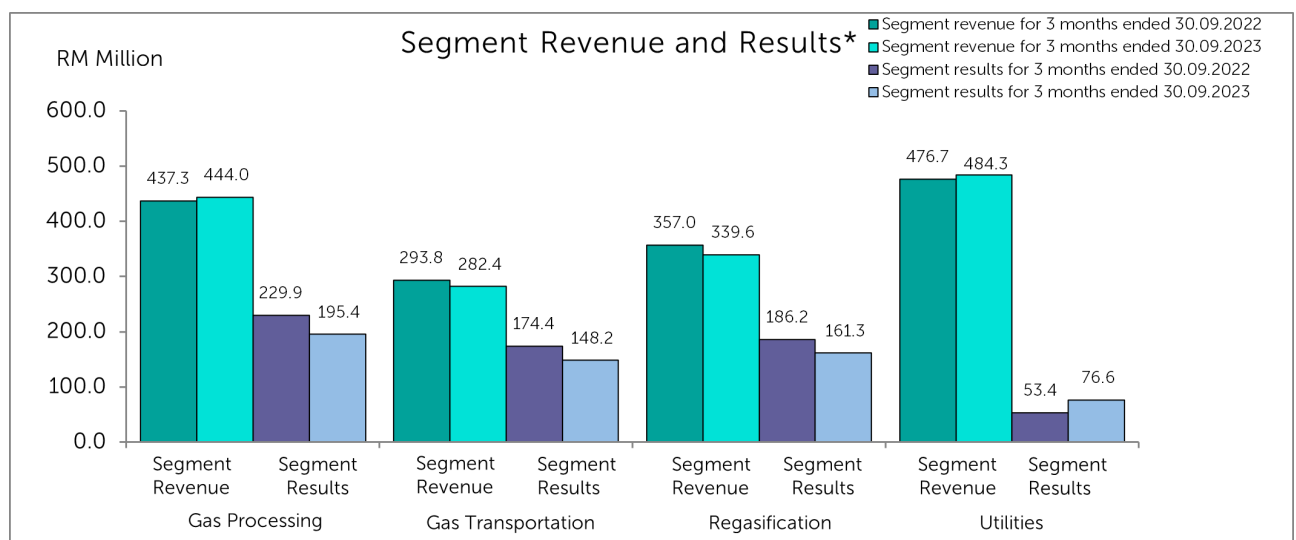
The Group maintained its world-class reliability performance across all its plants and facilities during the quarter under review.

Group revenue declined slightly by 0.9% or RM14.5 million to RM1,550.3 million as lower revenue from Regasification and Gas Transportation segments following lower approved regasification and transportation tariffs under RP2 was offset by higher revenue from Utilities and Gas Processing segments on the back of higher product prices and higher performance incentive respectively.

Gross profit decreased by 9.7% or RM62.4 million in tandem with lower revenue coupled with higher operating expenses mainly attributable to depreciation expense in line with higher capital expenditure.

PBT was comparable at RM594.5 million while profit for the quarter increased by 10.8% or RM47.9 million due to lower tax expense. The corresponding quarter tax expense was higher as a result of imposition of Prosperity Tax for year of assessment 2022.

The following section provides further analysis of the Group performance by operating segments.²



¹ EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures.

² Segment Results refers to Gross Profit.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

18. REVIEW OF GROUP PERFORMANCE (continued)

(a) Performance of current quarter against the corresponding quarter (continued)

Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording 100% reliability.

Segment revenue increased by 1.5% or RM6.7 million against corresponding quarter following higher performance incentive achieved.

Conversely, segment results declined by 15.0% or RM34.5 million due to higher operating expenses, mainly depreciation expense in line with higher capital expenditure.

Gas Transportation

The Group's pipeline network achieved 100% reliability during the quarter under review.

Segment revenue decreased by 3.9% or RM11.4 million as a result of lower RP2 transportation tariff from RM1.129/GJ in RP1 to RM1.061/GJ in RP2. This was cushioned by the introduction of new compression tariff at RM0.553/GJ, effective 1 January 2023.

Segment results was lower by 15.0% or RM26.2 million in line with lower revenue coupled with higher operating expenses due to higher level of maintenance activities performed during the quarter.

Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka ("RGTSU") and Pengerang, Johor ("RGTP") sustained their strong reliability performance at close to 100% during the quarter.

Segment revenue and segment results were lower by 4.9% or RM17.4 million and 13.4% or RM24.9 million respectively due to lower RP2 tariff for RGTP from RM3.485/GJ in RP1 to RM3.165/GJ in RP2, coupled with higher operating expenses, mainly depreciation expense in tandem with higher capital expenditure.

Utilities

The Group's Utilities plants achieved 100% Product Delivery Reliability for steam, electricity, and industrial gases during the quarter under review.

Segment revenue increased by 1.6% or RM7.6 million, mainly attributable to higher product prices. However, this was negated by lower sales volumes from industrial gases products following the planned plant turnaround in Kertih, Terengganu.

Segment results rose by 43.4% or RM23.2 million in tandem with higher revenue and stronger margin following upward revision of ICPT surcharge and lower fuel gas costs in line with lower products volume.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

18. REVIEW OF GROUP PERFORMANCE (continued)

(b) Performance of current year to date against the corresponding year to date

In RM'000	Cumulative quarter ended 30 September		Variance %
	2023	2022	
Revenue	4,862,587	4,527,305	+7.4
Gross profit	1,780,193	1,879,309	-5.3
Profit before taxation (PBT)	1,777,538	1,741,905	+2.0
Profit for the period	1,435,425	1,296,365	+10.7
EBITDA ¹	2,480,994	2,453,750	+1.1

The Group maintained its world-class reliability performance across all its plants and facilities during the period.

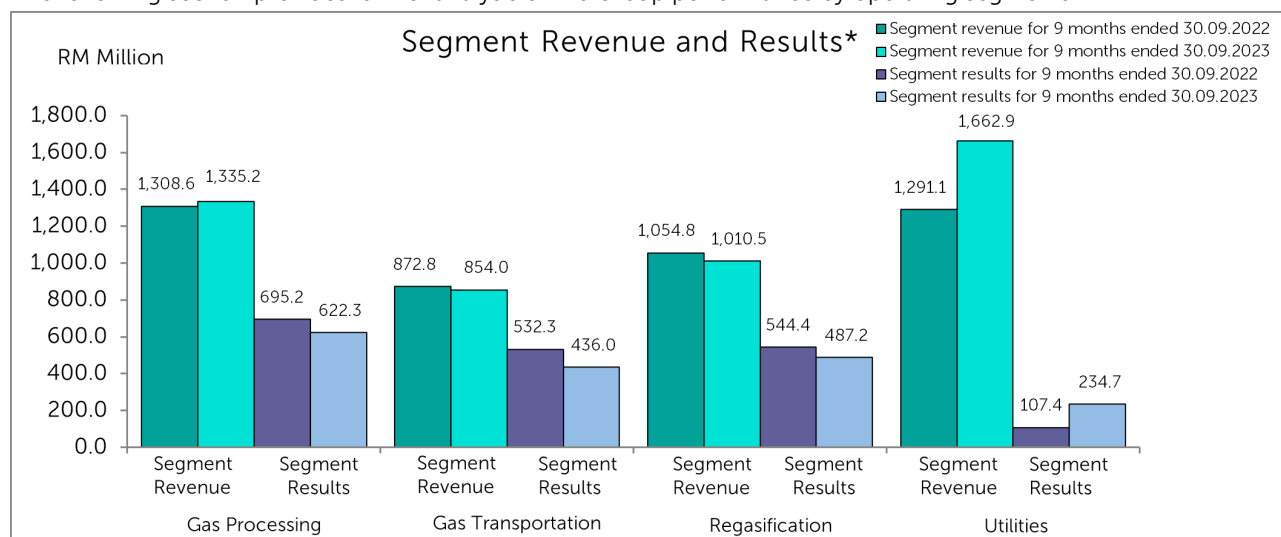
Group revenue stood at RM4,862.6 million, an increase of 7.4% or RM335.3 million mainly contributed by higher revenue from Utilities segment in line with higher product prices.

Gross profit, nevertheless, declined by 5.3% or RM99.1 million as a result of lower contribution from Gas Transportation, Gas Processing and Regasification segments due to higher operating expenses, mainly internal gas consumption and depreciation expenses coupled with lower revenue due to lower transportation and regasification tariffs under RP2. These were cushioned by higher contribution from Utilities segment in tandem with higher revenue as well as stronger margin following upward revision of ICPT surcharge and favourable impact of improved terms in the contract renewals.

Despite lower gross profit, PBT improved by 2.0% or RM35.6 million on the back of lower other expenses due to lower exposure from foreign exchange movement coupled with lower financing costs following early settlement of USD lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka and higher share of profit from joint venture companies.

Profit for the period increased by 10.7% or RM139.1 million in tandem with higher PBT coupled with lower tax expense. The corresponding period tax expense was higher as a result of imposition of Prosperity Tax for year of assessment 2022.

The following section provides further analysis of the Group performance by operating segments²



¹ EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures.

² Segment Results refers to Gross Profit.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (continued)

18. REVIEW OF GROUP PERFORMANCE (continued)

(b) Performance of current year to date against the corresponding year to date (continued)

Gas Processing

The Group's Gas Processing plants maintained its world class operational performance, recording 100% reliability.

Segment revenue increased by 2.0% or RM26.6 million against corresponding period as a result of higher performance incentive achieved.

Conversely, segment results declined by 10.5% or RM72.9 million due to higher operating expenses, mainly depreciation expense in tandem with higher capital expenditure.

Gas Transportation

The Group's pipeline network achieved 100% reliability, comparable to the corresponding period.

Segment revenue decreased by 2.2% or RM18.8 million as a result of lower RP2 transportation tariff. This was cushioned by the introduction of new compression tariff effective 1 January 2023.

Segment results fell by 18.1% or RM96.3 million in line with lower revenue coupled with higher operating expenses, mainly internal gas consumption expense in tandem with higher fuel gas price.

Regasification

The Group's LNG regasification terminals in Sg. Udang, Melaka and Pengerang, Johor sustained their strong reliability performance at close to 100% during the period.

Segment revenue and segment results were lower by 4.2% or RM44.3 million and 10.5% or RM57.2 million respectively due to lower RP2 tariff for RGTP, coupled with higher operating expenses, mainly depreciation expense in tandem with higher capital expenditure.

Utilities

The Group's Utilities plants achieved 100% Product Delivery Reliability for steam, electricity, and industrial gases during the period.

Segment revenue rose by 28.8% or RM371.8 million, mainly attributable to higher product prices.

Segment results surged by 118.5% or RM127.3 million in tandem with higher revenue and stronger margin following upward revision of ICPT surcharge and favourable impact of improved terms in the contract renewals which allow a more balanced cost pass-through to customers and reduce the business exposure to gas price volatility.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

19. COMPARISON AGAINST IMMEDIATE PRECEDING QUARTER RESULTS

<i>In RM'000</i>	Individual quarter ended		Variance %
	30 September 2023	30 June 2023	
Revenue	1,550,274	1,637,368	-5.3
Gross profit	581,527	651,591	-10.8
Profit before taxation (PBT)	594,484	626,117	-5.1
Profit for the quarter	491,161	495,971	-1.0
EBITDA ¹	836,462	857,953	-2.5

The Group sustained its strong performance across all of its plants and facilities during the quarter under review.

Group revenue decreased by 5.3% or RM87.1 million against the preceding quarter mainly attributed to lower revenue from Utilities segment on the back of lower product prices and lower industrial gases sales volume recorded following the planned plant turnaround in Kertih, Terengganu. The product prices were lower in tandem with downward movement of fuel gas price and downward revision of ICPT surcharge for the second half of year 2023.

Gross profit was lower by 10.8% or RM70.1 million in line with lower revenue.

PBT declined by 5.1% or RM31.6 million in tandem with lower gross profit, partially offset with lower other expenses due to lower exposure from foreign exchange movement coupled with lower financing costs following early settlement of USD lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka.

Correspondingly, profit for the quarter was lower by 1.0% or RM4.8 million.

20. REVIEW OF GROUP FINANCIAL POSITION

<i>In RM'000</i>	As at	As at	Variance %
	30 September 2023	31 December 2022	
Total assets	19,218,573	19,688,402	-2.4
Total equity attributable to the shareholders of the Company	13,477,768	13,148,083	+2.5
Total liabilities	5,488,386	6,278,561	-12.6
Return on equity (%)	13.3	12.5	+0.8

The Group's total assets was at RM19.2 billion lower by 2.4% or RM469.8 million due to lower cash balance as a result of early settlement of lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka.

Total equity attributable to shareholders of the Company increased by 2.5% or RM329.7 million to RM13.5 billion mainly attributable to profit for the period partially offset by dividends declared and paid to shareholders of the Company.

Total liabilities decreased by 12.6% or RM790.2 million as a result of early settlement of lease liabilities for floating storage units coupled with higher settlement of trade and other payables.

¹ EBITDA refers to earnings before interest, taxation, depreciation, amortisation and share of profit of equity accounted associate and joint ventures.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

21. REVIEW OF GROUP CASH FLOWS

<i>In RM'000</i>	Cumulative quarter ended 30 September		Variance %
	2023	2022	
Net cash generated from operating activities	2,239,571	2,265,618	-1.1
Net cash used in investing activities	(674,163)	(784,011)	-14.0
Net cash used in financing activities	(2,045,839)	(1,138,043)	+79.8
Net (decrease)/increase in cash and cash equivalents	(480,431)	343,564	-239.8

Net cash generated from operating activities was lower by 1.1% or RM26.0 million due to higher settlement to suppliers.

Net cash used in investing activities decreased by 14.0% or RM109.8 million mainly driven by higher dividend received from joint ventures and associate companies.

Net cash used in financing activities increased by 79.8% or RM907.8 million following early settlement of lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka.

22. TAX EXPENSE

<i>In RM'000</i>	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
Current tax expenses				
Malaysia				
- current period	51,294	98,278	277,697	400,585
- under/(over) provision in prior years	(12,178)	(596)	(12,178)	(596)
	39,116	97,682	265,519	399,989
Deferred tax expenses				
- origination and reversal of temporary differences	69,145	49,029	81,532	40,289
- under/(over) provision in prior years	(4,938)	5,262	(4,938)	5,262
	64,207	54,291	76,594	45,551
Total tax expenses	103,323	151,973	342,113	445,540

The effective tax rates for the quarter and nine months period ended 30 September 2023 were lower than the statutory tax rate of 24% mainly due to tax incentive granted for LNG regasification terminal in Pengerang, Johor.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

23. COMMENTARY ON PROSPECTS

PGB Group is expected to deliver strong financial performance for 2023, underpinned by the stable-earning contracts and excellent operational performance.

Amidst higher operating costs environment post-pandemic, the Group will continue to strive for operational excellence as well as to strike the right balance between growth investments, financial prudence and shareholders' distribution.

24. PROFIT FORECAST OR PROFIT GUARANTEE

There was no profit forecast or profit guarantee published by the Group as at the date of this report.

25. STATUS OF CORPORATE PROPOSAL ANNOUNCED BUT NOT COMPLETED

There was no corporate proposal announced but not completed as at the date of this report.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (continued)

26. TRADE AND OTHER RECEIVABLES

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Trade receivables		
- Third party	43,354	28,649
- Related companies	676,986	782,893
- Joint ventures	636	1,647
- Related parties	36,763	31,967
	<u>757,739</u>	<u>845,156</u>
Other receivables	138,161	144,972
Less: Impairment losses	(135)	(118)
Trade and other receivables	<u>895,765</u>	<u>990,010</u>

Average credit term for trade receivables granted to related companies and third parties is 30 days.

The ageing of trade receivables as at reporting date are as follows:

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Current	757,739	845,156
Past due 1 to 30 days	—	—
Past due 31 to 60 days	—	—
Past due 61 to 90 days	—	—
Past due more than 90 days	—	—
Trade receivables	<u>757,739</u>	<u>845,156</u>

With respect to the Group's trade receivables, there are no indications as at reporting date that the debtors will not meet their payment obligations.

Significant related company trade receivables

Related companies	Nature of transactions
a. Holding company	
Petroliam Nasional Berhad	Provision of gas processing services.
b. Related companies	
PETRONAS Energy & Trading Sdn Bhd	Provision of gas transportation services and LNG regasification services.
PETRONAS Chemical Derivatives Sdn Bhd	Sales of industrial utilities.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

27. FOREIGN EXCHANGE EXPOSURE / HEDGING POLICY

The Group operates predominantly in Malaysia and transacts mainly in Ringgit Malaysia. Nevertheless, the Group is exposed to varying levels of foreign exchange risk when it enters into transactions that are not denominated in the respective companies' functional currencies and when foreign currency monetary assets and liabilities are translated at the reporting date. As at 30 September 2023, the Group's foreign currency liabilities largely relate to USD lease liability for jetty usage at its LNG regasification terminal in Pengerang, Johor amounting to USD125.6 million (31 December 2022: USD127.6 million).

The Group's foreign currency management policy is to minimise economic and significant transactional exposure arising from currency movements. Residual net positions are actively managed and monitored against prescribed policies and control procedures. When deemed necessary and appropriate, the Group will enter derivative financial instruments to hedge and minimise their exposure to the foreign currency movements.

28. BORROWINGS

Particulars of Group's borrowings are as follows:

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Non-Current		
Secured		
Islamic financing facility	1,395,000	1,395,000
Lease liabilities	589,653	1,405,089
Unsecured		
Islamic financing facility	—	862,744
	1,984,653	3,662,833
Current		
Secured		
Islamic financing facility	105,000	105,000
Lease liabilities	13,882	67,909
Unsecured		
Islamic financing facility	1,167,698	—
	1,286,580	172,909
	3,271,233	3,835,742
By Currency		
RM	2,681,419	2,376,922
USD	589,814	1,458,820
	3,271,233	3,835,742
Closing exchange rate (RM/USD)	4.6950	4.4150

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

28. BORROWINGS (continued)

<i>In RM'000</i>	Total	Less than 1 year	Between 1-5 years	More than 5 years
Secured				
Islamic financing facility ¹	1,500,000	105,000	425,000	970,000
Lease liabilities ²	603,535	13,882	68,250	521,403
Unsecured				
Islamic financing facility ³	1,167,698	1,167,698	—	—
	3,271,233	1,286,580	493,250	1,491,403

Reconciliation of liabilities arising from financing activities:

<i>In RM'000</i>	At 1 January 2023	Net changes from financing cash flows	Non-cash changes ⁴	At 30 September 2023
Secured Islamic financing facility	1,500,000	—	—	1,500,000
Lease liabilities	1,472,998	(1,091,246)	221,783	603,535
Unsecured Islamic financing facility	862,744	303,600	1,354	1,167,698
	3,835,742	(787,646)	223,137	3,271,233

Islamic financing facilities

<i>In RM'000</i>	As at 30 September 2023	As at 31 December 2022
Secured RM Murabahah Medium Term Notes	1,500,000	1,500,000
Unsecured RM Commodity Murabahah Term Financing	1,167,698	862,744
	2,667,698	2,362,744

Lease liabilities

Lease liabilities mainly represents future obligation to make lease payments for the right to use the jetty facilities in Pengerang, Johor.

¹ The secured Islamic financing facility (Islamic Murabahah Medium Term Notes) bears profit rates ranging from 2.03% to 3.74% (2022: 2.03% to 3.74%) per annum and the remaining amount is fully repayable at their various tranches due dates from 2023 to 2040.

² The lease liabilities bear interest at rates between 8.1% to 8.4% (2022: between 8.1% to 9.1%) per annum.

³ The unsecured Islamic financing facility (Commodity Murabahah Term Financing) bears profit rates ranging from 3.77% to 4.18% (2022: 2.38% to 3.56%) per annum and is repayable in full in March 2024.

⁴ Non-cash changes consist of foreign exchange translation, lease adjustment and other amortisation.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

29. DERIVATIVES

Outstanding derivatives as at the date of the statement of financial position are as follows:

	Notional/Contract Value		Fair Value	
	As at	As at	As at	As at
	30 September 2023 USD'000	31 December 2022 USD'000	30 September 2023 RM'000	31 December 2022 RM'000
Forwards exchange contracts				
- Less than 1 year	11,822	36,064	614	(10,432)

There were no changes to the requirements and nature of the outstanding derivatives as disclosed since the last audited financial statements for the year ended 31 December 2022, other than as disclosed above.

30. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group does not have any financial liabilities that are measured at fair value (other than derivative financial instruments) for the period under review.

31. MATERIAL LITIGATION

On 25 November 2019, PETRONAS Gas Berhad ("the Company") was served a Notice of Arbitration by PBJV Group Sdn Bhd ("PBJV"). The claim amounting to RM159.5 million is in relation to the procurement, construction, and commissioning of Pengerang Gas Pipeline Project ("the Project") where a Consortium was appointed by the Company as the contractor for the Project. PBJV was one of the Consortium partners for the Project.

On 24 December 2019, the Company has responded to the Notice of Arbitration and denied all PBJV claims as baseless allegation and without any merit as the Global Settlement Agreement agreed by both Consortium partners recorded the settlement terms in relation to the Project. The arbitration is currently ongoing.

There has been no other new material litigation since the last audited consolidated financial statements for the year ended 31 December 2022.

32. EARNINGS PER SHARE

Basic earnings per share ("EPS") is derived based on the net profit attributable to shareholders of the Company and the number of ordinary shares outstanding during the period.

	Individual quarter ended		Cumulative quarter ended	
	2023	2022	2023	2022
Net profit for the period attributable to ordinary shareholders of the Company (RM'000)	468,459	425,818	1,378,009	1,232,900
Number of ordinary shares in issue ('000)	1,978,732	1,978,732	1,978,732	1,978,732
EPS (sen)	23.67	21.52	69.64	62.31

As at the date of the statement of financial position, the Company has not issued any dilutive potential ordinary shares and hence, the diluted EPS is the same as the basic EPS.

33. AUDITOR REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

As disclosed in Note 3.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (continued)

34. OPERATING PROFIT FOR THE PERIOD

In RM'000	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2023	2022	2023	2022
Operating profit includes the following charges:				
Depreciation of property, plant and equipment ¹	291,944	261,582	836,574	760,584
Property, plant and equipment written off	951	291	1,938	468
Unrealised loss on foreign exchange	12,687	59,293	32,590	117,692
Realised loss on foreign exchange ²	376	791	23,284	1,006
and crediting:				
Gain on disposal of property, plant and equipment	837	3,114	1,178	3,114
Impairment write back - expected credit loss	27	67	82	86
Interest income:				
- fund investments	28,886	24,430	95,280	61,439
- term loan due from a joint venture	2,273	2,984	7,401	9,146

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

35. DIVIDENDS

As disclosed in Note 9.

36. EXCHANGE RATE

USD/MYR	30.9.2023	Individual quarter ended		30.9.2023	Cumulative quarter ended	
		30.6.2023	30.9.2022		30.9.2022	31.12.2022
Average rate	4.6277	4.5250	4.4820	4.5144	4.3416	4.4001
Closing rate	4.6950	4.6860	4.6375	4.6950	4.6375	4.4150

¹ The depreciation of property, plant and equipment includes depreciation on right-of-use (ROU) assets and amortisation of prepaid lease payments.

² The cumulative quarter ended includes a realised forex loss from early settlement of USD lease liabilities for floating storage units at LNG regasification terminal in Sg. Udang, Melaka to minimise economic and significant transactional exposure arising from currency movements as per Note 27.

QUARTERLY REPORT

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA
MALAYSIA SECURITIES BERHAD (continued)

37. AUTHORISED FOR ISSUE

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 November 2023.

BY ORDER OF THE BOARD

Mek Yam @ Mariam Hassan
MAICSA 7030578
SSM Practising Certificate No. 201908000788

Cik Azizahwati Ishak
MAICSA 7060684
SSM Practising Certificate No. 202008002944

Company Secretaries
Kuala Lumpur
20 November 2023